



**RBA
AUSTIN HOUSING FINANCE CORPORATION
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO.: AHFC-2
AGENDA DATE: Thu 09/30/2004
PAGE: 1 of 2**

SUBJECT: Authorize inducement resolutions authorizing the submission of applications to the Texas Bond Review Board for bond authority under the state's annual multi-family private activity volume cap for: the Loyola Park Apartments, a 248-unit complex to be built at 6100 Loyola Lane, sponsored by Chris Dischinger, Louisville, KY, and in an amount not to exceed \$15,000,000; the Interport Meadows Apartments, a 250-unit complex to be built in the 11000 block of Fallwell Lane, sponsored by Southwest Housing Development Company, Dallas, TX, and in an amount not to exceed \$15,000,000; and the Fallwell Meadows Apartments, a 250-unit complex to be built in the 11000 block of Fallwell Lane, sponsored by Southwest Housing Development Company, Dallas, TX, and in an amount not to exceed \$15,000,000.

AMOUNT & SOURCE OF FUNDING: Each applicant pays its own application fee directly to the Texas Bond Review Board.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING DEPARTMENT: Austin Housing Finance Corporation **DIRECTOR'S AUTHORIZATION:** Paul Hilgers

FOR MORE INFORMATION CONTACT: Paul Hilgers, Community Development Officer, Neighborhood Housing and Community Development, 974-3108.

PRIOR BOARD ACTION: Approved similar inducement resolutions for five projects participating in the 2002 lottery on October 10, 2002 (Attachment A).

BOARD AND COMMISSION ACTION: N/A

The mission of the Austin Housing Finance Corporation (AHFC) is to generate and implement strategic financing housing solutions for the benefit of low- and moderate-income residents of Austin. Since 1982, AHFC has issued 23 series of multi-family housing revenue bonds totaling \$212 million. These bonds have financed 31 multi-family properties creating 6,252 low- and moderate-income rental units

This year, multi-family projects desiring tax-exempt bond financing for 2004 are required to submit their applications to the Texas Bond Review Board (TBRB) through a local housing finance agency such as the AHFC between October 10 and October 20 of 2004.

The private activity volume cap allocation will be awarded in 13 statewide regions. Austin is located in Region Seven, composed of 10 counties. The allocation for Region Seven is \$16.5 million. Additionally, the volume cap will be divided between projects classified for metropolitan or non-metropolitan areas. Because the issuance of the bonds is wholly dependent upon receiving a favorable number in the TBRB lottery, each application submitted represents one additional chance to secure favorable financing for affordable rental projects.

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**AGENDA ITEM NO.: AHFC-2
AGENDA DATE: Thu 09/30/2004
PAGE: 2 of 2**

Should an application from Austin receive an allocation later in the program year, the AHFC board will have two additional opportunities to review the project before the bonds are issued. First, a successful project will be brought back to the AHFC Board for a public hearing as required by the Tax Equity Financial Responsibility Act (TEFRA). The project will then secure four percent Low-Income Housing Tax Credits (LIHTC) from the Texas Department of Housing and Community Affairs. Such credits are automatically available to volume cap bond-financed projects. Following the public hearing, the documents will be prepared and the item will be considered by the AHFC Board for approval of the sale of the bonds within the allotted time. This year that period will be 150 days, allowed by the Texas Bond Review Board. Projects for construction of new rental units brought forward for Board consideration, on the issuance of AHFC multi-family bonds will be compliant with S.M.A.R.T. Housing™ requirements.

Approval of this inducement resolution for the projects included in the attached Exhibit A will permit staff to proceed to submit the applications received for consideration in the October 2004 lottery of the Texas Bond Review Board. Regulations governing the issuance of mortgage revenue bonds for the purpose of financing affordable housing specify that the bonds are non-recourse and the full faith and credit of the local housing finance corporation (AHFC) is not pledged to repay the bonds.

RESOLUTION NO. 040930-NN

**WITH RESPECT TO THE ISSUANCE OF BONDS TO FINANCE
A MULTI-FAMILY PROJECT [FALLWELL MEADOWS APARTMENTS]
(FOR 2005)**

WHEREAS, the Austin Housing Finance Corporation (the "Corporation") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, V.T.C.A., as amended (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices at which they can afford; and;

WHEREAS, pursuant to law, and particularly the Act and/or other applicable laws, the Issuer and/or an entity legally acting for and on behalf of the Corporation (either or both being hereinafter called, for convenience of reference, the "Issuer") is or are authorized to provide for the acquisition and construction of multifamily housing projects, and to provide for the issuance of revenue bonds for such purpose; and

WHEREAS, Fallwell 05 Housing, L.P., is a limited company organized under the laws of the State of Texas; and

WHEREAS, as hereinafter used the term "Borrower" shall mean Fallwell 05

Housing, L.P. and/or one of its subsidiary, affiliate or related partnerships, corporations or other entities; and

WHEREAS, the Borrower has advised the Issuer that it or one of its subsidiary, affiliate or related corporations or entities is considering proceeding with the acquisition, construction, and/or improvement of a multi-family project described in Exhibit A, attached hereto and incorporated herein for all purposes (the "Project") within Austin, Texas, within the boundaries of the Issuer; and

WHEREAS, the Borrower has advised the Issuer that a contributing factor which would further induce the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project would be a commitment and agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project; and

WHEREAS, the Borrower has proposed to the Issuer that the Borrower will be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project if the Issuer will make such commitment and agreement and adopt this Resolution; and

WHEREAS, all or a portion of the expenditures relating to the Project (the "Expenditures") have been paid within 60 days prior to the passage of this Resolution or will be paid on or after the passage of this Resolution; and

WHEREAS, the Issuer reasonably expects (based upon information supplied

by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Borrower or persons acting on its behalf for the Expenditures with the proceeds of the Bonds; and

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall, in accordance with its provisions, constitute the commitment and agreement of the Issuer to issue the Bonds in such aggregate principal amount, now estimated not to exceed \$15,000,000, as is actually required to finance and pay for the acquisition, construction and/or improvement of the Project; and

WHEREAS, the Issuer finds, considers, and declares that the issuance of the Bonds in such amount and for such purpose will be appropriate and consistent with the objectives of the Act, and that the adoption of this Resolution is and constitutes, and is intended as, (i) an inducement to the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project, (ii) the taking of affirmative official action by the Issuer, acting by and through its Board of Directors, towards the issuance of the Bonds, and that such action is, and is intended to be, similar to the adoption of a bond resolution, within the meaning of Section 1.103-8(a)(5) of the Federal Treasury Regulations and (iii) the declaration of the intention of the Issuer, in accordance with the provisions of Section 1.150-2 of the Federal Treasury Regulations, to reimburse the Expenditures for the Project at such time as the Bonds are issued.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF AUSTIN HOUSING FINANCE CORPORATION THAT:

Section 1. The Issuer is committed and agrees as follows:

(a) To adopt a bond resolution or bond resolutions prepared by its Bond Counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, when requested by the Borrower, authorizing the issuance of Bonds pursuant to the Act, and to issue the Bonds, subject to the requirements of the Act, the execution of the appropriate agreements or contracts described in (b), below, and the sale of the Bonds under terms and conditions satisfactory to the Issuer and the Borrower, to finance and pay for the acquisition, construction and/or improvement of the Project, including amounts sufficient to pay the fees, expenses, and costs in connection with such issuance, including an amount adequate to reimburse the Issuer for its administrative and overhead expenses and costs with respect to the Bonds and the Project, with the Bonds to be payable from payments by the Borrower to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable.

(b) Prior to the issuance of the Bonds, when requested by the Borrower, to enter into such loan agreement, installment sale agreement, lease, and/or any other appropriate contracts or agreements between the Issuer and the Borrower as

are mutually acceptable in all respects to the Issuer and the Borrower, under which the Borrower will be obligated to make payments to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable, and with such payments also to be sufficient to defray the Issuer's administrative, overhead, and other expenses and costs with respect to the Bonds and the Project.

(c) To take, or cause to be taken, such other action, and to execute such additional contracts and agreements mutually agreeable to the parties in all respects, when requested by the Borrower as may be required in accordance with the Act and this Resolution to cause the issuance of the Bonds and to obtain an allocation of state volume cap for the Bonds.

Section 2. By the acceptance of this Resolution and proceeding with the Project, the Borrower thereby agrees that it will (i) fully indemnify and hold the Issuer harmless from any and all damages, losses, and reasonable expenses, including attorneys' fees, arising at any time from or with respect to the Bonds and the Project (except those resulting from gross negligence or willful misconduct of the Issuer), and (ii) pay or reimburse the Issuer for all reasonable and necessary out-of-pocket expenses, including attorneys' fees and expenses and the fees and expenses of other consultants, which the Issuer may incur at the request of the

Borrower arising from the performance or attempted performance by the Issuer of its obligations hereunder.

Section 3. The adoption of this Resolution shall be deemed to constitute the acceptance of the Borrower's proposal that it be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project, and said proposal and acceptance shall constitute an agreement between the Issuer and the Borrower in accordance with the provisions of this Resolution.

Section 4. The Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Expenditures with the proceeds of the Bonds.

ADOPTED: September 30, 2004

ATTEST: _____
Shirley A. Brown
City Clerk

EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of a 250-unit apartment community located at the East side of the 11000 Block of Fallwell Lane, Austin, Travis County, Texas 78617.

**AUSTIN HOUSING FINANCE
CORPORATION**



**AUSTIN HOUSING FINANCE CORPORATION
RECOMMENDATION FOR BOARD ACTION**

**AGENDA DATE: 09/30/04
RBA TYPE: Resolution**

EXHIBIT A

List of projects to be submitted following the AHFC application period ending September 14, 2004.

THIS RBA IS BEING SUBMITTED AS A TEMPLATE AND PLACE HOLDER IN THE AGENDA FOR AHFC BOARD CONSIDERATION ON SEPTEMBER 30, 2004. INDIVIDUAL INDUCEMENT RESOLUTIONS WITH COMPLETE DETAILS ON EACH PROPOSED MULTI-FAMILY PROJECT REQUESTING AN INDUCEMENT RESOLUTION WILL BE PROVIDED AS BACKUP FOR COUNCIL APPROVAL.

RESOLUTION NO. 040930-NN

WITH RESPECT TO THE ISSUANCE OF BONDS TO FINANCE
A MULTI-FAMILY PROJECT [INTERPORT MEADOWS APARTMENTS]
(FOR 2005)

WHEREAS, the Austin Housing Finance Corporation (the "Corporation") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, V.T.C.A., as amended (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices at which they can afford; and;

WHEREAS, pursuant to law, and particularly the Act and/or other applicable laws, the Issuer and/or an entity legally acting for and on behalf of the Corporation (either or both being hereinafter called, for convenience of reference, the "Issuer") is or are authorized to provide for the acquisition and construction of multifamily housing projects, and to provide for the issuance of revenue bonds for such purpose; and

WHEREAS, Interport 05 Housing, L.P., is a limited company organized under the laws of the State of Texas; and

WHEREAS, as hereinafter used the term "Borrower" shall mean Interport 05

Housing, L.P. and/or one of its subsidiary, affiliate or related partnerships, corporations or other entities; and

WHEREAS, the Borrower has advised the Issuer that it or one of its subsidiary, affiliate or related corporations or entities is considering proceeding with the acquisition, construction, and/or improvement of a multi-family project described in Exhibit A, attached hereto and incorporated herein for all purposes (the "Project") within Austin, Texas, within the boundaries of the Issuer; and

WHEREAS, the Borrower has advised the Issuer that a contributing factor which would further induce the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project would be a commitment and agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project; and

WHEREAS, the Borrower has proposed to the Issuer that the Borrower will be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project if the Issuer will make such commitment and agreement and adopt this Resolution; and

WHEREAS, all or a portion of the expenditures relating to the Project (the "Expenditures") have been paid within 60 days prior to the passage of this

Resolution or will be paid on or after the passage of this Resolution; and

WHEREAS, the Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Borrower or persons acting on its behalf for the Expenditures with the proceeds of the Bonds; and

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall, in accordance with its provisions, constitute the commitment and agreement of the Issuer to issue the Bonds in such aggregate principal amount, now estimated not to exceed \$15,000,000, as is actually required to finance and pay for the acquisition, construction and/or improvement of the Project; and

WHEREAS, the Issuer finds, considers, and declares that the issuance of the Bonds in such amount and for such purpose will be appropriate and consistent with the objectives of the Act, and that the adoption of this Resolution is and constitutes, and is intended as, (i) an inducement to the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project, (ii) the taking of affirmative official action by the Issuer, acting by and through its Board of Directors, towards the issuance of the Bonds, and that such action is, and is intended to be, similar to the adoption of a bond resolution, within the meaning

of Section 1.103-8(a)(5) of the Federal Treasury Regulations and (iii) the declaration of the intention of the Issuer, in accordance with the provisions of Section 1.150-2 of the Federal Treasury Regulations, to reimburse the Expenditures for the Project at such time as the Bonds are issued.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF AUSTIN HOUSING FINANCE CORPORATION THAT:

Section 1. The Issuer is committed and agrees as follows:

(a) To adopt a bond resolution or bond resolutions prepared by its Bond Counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, when requested by the Borrower, authorizing the issuance of Bonds pursuant to the Act, and to issue the Bonds, subject to the requirements of the Act, the execution of the appropriate agreements or contracts described in (b), below, and the sale of the Bonds under terms and conditions satisfactory to the Issuer and the Borrower, to finance and pay for the acquisition, construction and/or improvement of the Project, including amounts sufficient to pay the fees, expenses, and costs in connection with such issuance, including an amount adequate to reimburse the Issuer for its administrative and overhead expenses and costs with respect to the Bonds and the Project, with the Bonds to be payable from payments by the Borrower to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of,

interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable.

(b) Prior to the issuance of the Bonds, when requested by the Borrower, to enter into such loan agreement, installment sale agreement, lease, and/or any other appropriate contracts or agreements between the Issuer and the Borrower as are mutually acceptable in all respects to the Issuer and the Borrower, under which the Borrower will be obligated to make payments to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable, and with such payments also to be sufficient to defray the Issuer's administrative, overhead, and other expenses and costs with respect to the Bonds and the Project.

(c) To take, or cause to be taken, such other action, and to execute such additional contracts and agreements mutually agreeable to the parties in all respects, when requested by the Borrower as may be required in accordance with the Act and this Resolution to cause the issuance of the Bonds and to obtain an allocation of state volume cap for the Bonds.

Section 2. By the acceptance of this Resolution and proceeding with the Project, the Borrower thereby agrees that it will (i) fully indemnify and hold the Issuer harmless from any and all damages, losses, and reasonable expenses, including attorneys' fees, arising at any time from or with respect to the Bonds and the Project (except those resulting from gross negligence or willful misconduct of

the Issuer), and (ii) pay or reimburse the Issuer for all reasonable and necessary out-of-pocket expenses, including attorneys' fees and expenses and the fees and expenses of other consultants, which the Issuer may incur at the request of the Borrower arising from the performance or attempted performance by the Issuer of its obligations hereunder.

Section 3. The adoption of this Resolution shall be deemed to constitute the acceptance of the Borrower's proposal that it be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project, and said proposal and acceptance shall constitute an agreement between the Issuer and the Borrower in accordance with the provisions of this Resolution.

Section 4. The Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Expenditures with the proceeds of the Bonds.

ADOPTED: September 30, 2004

ATTEST: _____
Shirley A. Brown
City Clerk

EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of a 250-unit apartment community located at the East side of the 11000 Block of Fallwell Lane, Austin, Travis County, Texas 78617.

RESOLUTION NO. 040930-NN

WITH RESPECT TO THE ISSUANCE OF BONDS TO FINANCE
A MULTI-FAMILY PROJECT [LOYOLA PARK APARTMENTS]
(FOR 2005)

WHEREAS, the Austin Housing Finance Corporation (the "Corporation") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, V.T.C.A., as amended (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices at which they can afford; and;

WHEREAS, pursuant to law, and particularly the Act and/or other applicable laws, the Issuer and/or an entity legally acting for and on behalf of the Corporation (either or both being hereinafter called, for convenience of reference, the "Issuer") is or are authorized to provide for the acquisition and construction of multifamily housing projects, and to provide for the issuance of revenue bonds for such purpose; and

WHEREAS, Loyola Properties, LP, is a limited company organized under the laws of the State of Texas; and

WHEREAS, as hereinafter used the term "Borrower" shall mean Loyola

Properties, LP and/or one of its subsidiary, affiliate or related partnerships, corporations or other entities; and

WHEREAS, the Borrower has advised the Issuer that it or one of its subsidiary, affiliate or related corporations or entities is considering proceeding with the acquisition, construction, and/or improvement of a multi-family project described in Exhibit A, attached hereto and incorporated herein for all purposes (the "Project") within Austin, Texas, within the boundaries of the Issuer; and

WHEREAS, the Borrower has advised the Issuer that a contributing factor which would further induce the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project would be a commitment and agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project; and

WHEREAS, the Borrower has proposed to the Issuer that the Borrower will be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project if the Issuer will make such commitment and agreement and adopt this Resolution; and

WHEREAS, all or a portion of the expenditures relating to the Project (the "Expenditures") have been paid within 60 days prior to the passage of this

Resolution or will be paid on or after the passage of this Resolution; and

WHEREAS, the Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Borrower or persons acting on its behalf for the Expenditures with the proceeds of the Bonds; and

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall, in accordance with its provisions, constitute the commitment and agreement of the Issuer to issue the Bonds in such aggregate principal amount, now estimated not to exceed \$15,000,000, as is actually required to finance and pay for the acquisition, construction and/or improvement of the Project; and

WHEREAS, the Issuer finds, considers, and declares that the issuance of the Bonds in such amount and for such purpose will be appropriate and consistent with the objectives of the Act, and that the adoption of this Resolution is and constitutes, and is intended as, (i) an inducement to the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project, (ii) the taking of affirmative official action by the Issuer, acting by and through its Board of Directors, towards the issuance of the Bonds, and that such action is, and is intended to be, similar to the adoption of a bond resolution, within the meaning

of Section 1.103-8(a)(5) of the Federal Treasury Regulations and (iii) the declaration of the intention of the Issuer, in accordance with the provisions of Section 1.150-2 of the Federal Treasury Regulations, to reimburse the Expenditures for the Project at such time as the Bonds are issued.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF AUSTIN HOUSING FINANCE CORPORATION THAT:

Section 1. The Issuer is committed and agrees as follows:

(a) To adopt a bond resolution or bond resolutions prepared by its Bond Counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, when requested by the Borrower, authorizing the issuance of Bonds pursuant to the Act, and to issue the Bonds, subject to the requirements of the Act, the execution of the appropriate agreements or contracts described in (b), below, and the sale of the Bonds under terms and conditions satisfactory to the Issuer and the Borrower, to finance and pay for the acquisition, construction and/or improvement of the Project, including amounts sufficient to pay the fees, expenses, and costs in connection with such issuance, including an amount adequate to reimburse the Issuer for its administrative and overhead expenses and costs with respect to the Bonds and the Project, with the Bonds to be payable from payments by the Borrower to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of,

interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable.

(b) Prior to the issuance of the Bonds, when requested by the Borrower, to enter into such loan agreement, installment sale agreement, lease, and/or any other appropriate contracts or agreements between the Issuer and the Borrower as are mutually acceptable in all respects to the Issuer and the Borrower, under which the Borrower will be obligated to make payments to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable, and with such payments also to be sufficient to defray the Issuer's administrative, overhead, and other expenses and costs with respect to the Bonds and the Project.

(c) To take, or cause to be taken, such other action, and to execute such additional contracts and agreements mutually agreeable to the parties in all respects, when requested by the Borrower as may be required in accordance with the Act and this Resolution to cause the issuance of the Bonds and to obtain an allocation of state volume cap for the Bonds.

Section 2. By the acceptance of this Resolution and proceeding with the Project, the Borrower thereby agrees that it will (i) fully indemnify and hold the Issuer harmless from any and all damages, losses, and reasonable expenses, including attorneys' fees, arising at any time from or with respect to the Bonds and the Project (except those resulting from gross negligence or willful misconduct of

the Issuer), and (ii) pay or reimburse the Issuer for all reasonable and necessary out-of-pocket expenses, including attorneys' fees and expenses and the fees and expenses of other consultants, which the Issuer may incur at the request of the Borrower arising from the performance or attempted performance by the Issuer of its obligations hereunder.

Section 3. The adoption of this Resolution shall be deemed to constitute the acceptance of the Borrower's proposal that it be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project, and said proposal and acceptance shall constitute an agreement between the Issuer and the Borrower in accordance with the provisions of this Resolution.

Section 4. The Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Expenditures with the proceeds of the Bonds.

ADOPTED: September 30, 2004

ATTEST: _____
Shirley A. Brown
City Clerk

JMW:bb
040930-NN AMS #6481 Loyola Park Inducment Res.doc

JMW:bb
040930-NN AMS #6481 Loyola Park Inducmt Res.doc

EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of a 248-unit apartment community located at 6100 Loyola Lane, Austin, Travis County, Texas 78723.

Executive Summary for

Loyola Park Apartments

Project Name Loyola Park Apartments

Location: 6100 Loyola Lane, Austin Texas 78723 (address)

Developer: Loyola Properties LP

% 20 GP, 80 LP Sponsor.

Proposed Bond Issue amount: \$ 15,000,000

Set Aside/ Lottery Priority: first X second _____ third _____
with 100 % of units for families with incomes below
60% of MFI

No. of Units and : 248 units with 52 1/1, 2/1
And their composition

110 2/2, 86 3/2, 4/2

Rent Range: from \$ 735 to 999

Size of Units

Eff with _____ Square feet and proposed rents of _____

1/1 with 52 Square feet and proposed rents of \$735

2/1 with _____ Square feet and proposed rents of _____

2/2 with 110 Square feet and proposed rents of \$872

3/2 with 86 Square feet and proposed rents of \$999

4/2 with _____ Square feet and proposed rents of _____

Total Project Cost of \$ 25,997,248

Executive Summary for
Interport Meadows Apartments

Project Name: Interport Meadows Apartments
Location: East side of the 11000 Block of Fallwell Lane
Austin, TX 78617
Developer: Southwest Housing Development Company, Inc.
% 100 Sponsor.

Proposed Bond Issue amount: \$15,000,000

Set Aside/ Lottery Priority: X first _____ second _____ third
with 50 % of units for families with incomes below 60% of MFI
and 50% of units for families with incomes below 50% of MFI

No. of Units and: 250 units with _____ eff 52 1/1, _____ 2/1
And their composition
112 2/2, 86 3/2, _____ 4/2

Rent Range: from \$ 612 to 881

Size of Units
Eff with _____ Square feet and proposed rents of _____
1/1 with 750 Square feet and proposed rents of 612 - 662
2/1 with _____ Square feet and proposed rents of _____
2/2 with 950 Square feet and proposed rents of 722 - 772
3/2 with 1,100 Square feet and proposed rents of 831 - 881
4/2 with _____ Square Feet and proposed rents of _____

Total Project Cost of \$22,710,024

Executive Summary for

Fallwell Meadows Apartments

Project Name: Fallwell Meadows Apartments
Location: East side of the 11000 Block of Fallwell Lane
Austin, TX 78617
Developer: Southwest Housing Development Company, Inc.
% 100 Sponsor.

Proposed Bond Issue amount: \$15,000,000

Set Aside/ Lottery Priority: X first second third
with 50 % of units for families with incomes below 60% of MFI
and 50 % of units for families with incomes below 50% of MFI

No. of Units and : 250 units with eff 52 1/1, 2/1
And their composition 112 2/2, 86 3/2, 1/2

Rent Range: from \$ 612 to 881

Size of Units

Eff with Square feet and proposed rents of
1/1 with 750 Square feet and proposed rents of 612 - 662
2/1 with Square feet and proposed rents of
2/2 with 950 Square feet and proposed rents of 722 - 772
3/2 with 1,100 Square feet and proposed rents of 831 - 881
4/2 with Square Feet and proposed rents of

Total Project Cost of \$22,710,024